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### CONTENTS

	1. INDONESIA SEEKING ARMS FROM YUGOSLAVIA AND SOVIET BLOC	
25X1	2. JAPANESE-INDONESIAN SHIP AGREEMENT	<b>25X</b> 1
25X1	25)	X1A 25X1A
	4. POSSIBLE NEW SOVIET HEAVY BOMBER (page 6).	25X1
	25X1A  OK 6. FRANCE SUGGESTS MOROCCAN MEDIATION FOR CEASE- FIRE IN ALGERIA	
ŕ	7. CHINESE COMMUNISTS PURGE TOP PROVINCIAL OFFICIALS IN CHEKIANG	
	25X1A	

28 Dec 57

Current Intelligence Bulletin

Page 2

## 1. INDONESIA SEEKING ARMS FROM YUGOSLAVIA AND SOVIET BLOC

omment on:
Indonesia apparently has definitely decided to turn to Yugoslavia and the 25X1C Communist bloc for arms.  Indonesia is 25X1C proceeding with plans to purchase military equipment from Yugoslavia, Czechoslovakia, and Poland.
Indonesia had dropped negotiations for the cash purchase of arms, explaining that materiel will be obtained on credit from Czechoslovakia and Yugoslavia. American Ambassador Riddleberger in Belgrade assumes that a 27 December visit to Tito by the Indonesian ambassador and a group of high-ranking Yugoslavs was the beginning of arms negotiations. Colonel Jani, Indonesian deputy army chief of staff, will head a purchasing mission to Yugoslavia, Czechoslovakia, and Poland, according to the American Embassy in Djakarta.
The Indonesian army has long been eager to re-equip its forces. Although most army leaders would prefer to purchase equipment from the West, political pressures have increased to accept arms from the bloc. The army is believed to be chiefly interested at present in small arms, ammunition, and army transport vehicles.  Communist China has offered credit for arms purchases from Communist bloc countries.

Current Intelligence Bulletin

Page 3

25X1

28 Dec 57

25X1

#### 2. JAPANESE-INDONESIAN SHIP AGREEMENT

25X1A <sub>C</sub>	omment on:	Japanese shipowners and an Indonesian government mission in Tokyo have reached agreement on general terms for the lease of Japanese ships totaling 75,000 tons for Indonesia's vital inter-	
25X6	island shipping tra to be signed on 27	ffic. A formal agreement was scheduled 2	25X6
	to be signed on 2.	2000macr.	

The agreement authorizes the transfer by mid-February for a minimum of six months of 26 freighters of 2,000 to 4,000 tons. Small tankers of up to 5,000 tons will be transferred in a second stage, and large ocean-going vessels will be considered still later. Indonesian crews will be used whenever possible, but the ships will have Japanese masters and officers. Charterage fees are to be paid in advance in pounds sterling.

The Japanese ships will replace about half of the Dutch tonnage which has been withdrawn from Indonesian waters and thus ease the critical shipping shortage which has created serious food dislocations. Although Japan probably will be the major supplier of ships to Indonesia, Djakarta is looking to other areas, including the Communist bloc, to overcome its remaining shipping deficiencies.

25X1A

28 Dec 57

Current Intelligence Bulletin

Page 4

#### 4. POSSIBLE NEW SOVIET HEAVY BOMBER

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	Additional information on the long-

25X1A Comment on:

28 Dec 57

distance flight described in the 24 December issue of Red Star indicates that the jet heavy bomber involved may have been a new Soviet aircraft. The

article stated that "even for persons accustomed to being the first to see what is newly created in aviation, this airplane is surprising by the perfection of its form and its colossal size."

The flight was described as the first longdistance test of this aircraft, following numerous short test flights. The bomber flew an unspecified record distance without aerial refueling, at altitudes above 39,000 feet carrying "tens of tons" of fuel rather than "ten tons" as first reported. The "many hours" required for the flight suggest subsonic speed.

25X1

# 6. FRANCE SUGGESTS MOROCCAN MEDIATION FOR CEASE-FIRE IN ALGERIA

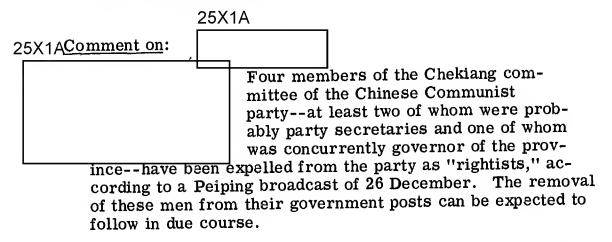
25X1	Comment on:
	On instructions from Paris, the French
	Embassy in Rabat recently sounded out
	the Moroccan Government on the possi-
	bility of Moroccan mediation to bring about
	a cease-fire in Algeria, according to a source close to French
	Foreign Minister Pineau. Premier Gaillard has obtained cab-
	inet approval for this limited response to last month's Moroccan
	Tunisian offer of good offices to settle the conflict. Recent
	French-Tunisian difficultiesparticularly over the arms ques-
	tionruled out acceptance of Bourguiba as an intermediary, at
	least for the present.

Because Moroccan officials insisted that Tunisia must be kept informed, Gaillard did not follow up his embassy's approach immediately. Pineau, however, may go to Rabat soon to discuss cease-fire negotiations. Pineau's confidant told the American Embassy in Paris on 24 December that the chances for negotiation of a cease-fire are "not bad." He claims an FLN military leader was recently in Rabat and "undoubtedly" discussed such a move.

Gaillard is probably reluctant to take any step now which might prejudice Council of the Republic action on the Basic Statute for Algeria recently voted by the National Assembly. There is already some fear that Minister for Algeria Lacoste and influential conservatives may influence the upper house to amend or vote down the statute, thereby throwing it back to the assembly.

Page 8

# 7. CHINESE COMMUNISTS PURGE TOP PROVINCIAL OFFICIALS IN CHEKIANG



The attack on these provincial party leaders is an indication that a drastic weeding out of the party called for by Secretary General Teng Hsiao-ping and other party spokesmen is picking up speed. This move follows a resurgence of publicity during the past week concerning the danger of permitting rightists to remain in the party.

The pur	ge is expected to claim up to 5
percent of the approximate:	ly 12,700,000 party members, and se members of the central com-
mittee in its final stages.	

25X1A

Page 9

- Jan 14 14